

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

of
THE WAIKIKI ROYAL
255 Beach Walk
Honolulu, Oahu, Hawaii

REGISTRATION NO. 1237

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: February 22, 1980
Expires: March 22, 1981

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JANUARY 29, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 19, 1980. THE DEVELOPER BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT (CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED).

1. THE WAIKIKI ROYAL is a proposed fee simple condominium project consisting of one existing nine-story apartment building of reinforced concrete construction, with 48 Residential Units, 3 Commercial Units and 24 Parking Units, all of which will be sold by the Developer upon and subject to the terms and provisions of an apartment deed to be issued by the Developer. There will be laundry rooms, a trash chute and enclosure, a cable television system, electrical and mechanical utility rooms and appurtenances, two stairways and two elevators. There will be no parking stalls assigned to any of the apartments; the parking stalls are neither common elements nor limited common elements, but rather a type of apartment.
2. The Developer of the Project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of the Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of Approved Floor Plans) have not yet been recorded in the Office of the recording officer.
4. The Developer has advised the Commission that advertising and promotion matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of THE WAIKIKI ROYAL condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of a receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, February 22, 1980, unless a Supplementary or Final Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: THE WAIKIKI ROYAL

LOCATION: 255 Beach Walk, Honolulu, Hawaii. The site comprising 16,269 square feet, is located in Waikiki, Honolulu, Hawaii.

TAX KEY: First Division 2/6/3/14 and 15.

ZONING: RESORT HOTEL

DEVELOPER: INDELCO, a Nevada general partnership, consisting of Summit Wood Corporation and Altos Corporation, both Nevada corporations with a local address of 32 Merchant Street, Honolulu, Hawaii 96813 (phone: 524-0933) and a Nevada address of 1 East First Street, Reno, Nevada.

ATTORNEYS REPRESENTING DEVELOPER: WOO, KESSNER & DUCA (Attention: James N. Duca), Suite 300, James Campbell Bldg., 828 Fort Street, Honolulu, Hawaii 96813 (Telephone No. 524-0955)

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer indicate that the Project consists of one tower (hereafter called "the building") with nine (9) stories extending in a mauka-makai direction (the levels of the building are numbered consecutively from 1 to 9, having forty-eight (48) residential units ("Residential Units"), twenty-four (24) Parking Units ("Parking Units") and three (3) Commercial Units ("Commercial Units"). The first floor is comprised of three Commercial Units, the Parking Units which are entirely outdoors, two stairwells, a machine room and elevator shafts, a meter room and a trash room. The second through ninth floors each contain six (6) Residential Units of which two contain two-bedrooms each and four contain one-bedroom each, the lanais appurtenant to each Residential Unit, two stairwells, elevator shafts, a trash/laundry room and a storage room which is part of Commercial Unit C-12. The building has two (2) elevators and a trash chute, which run vertically from floor one to floor nine.

The building is constructed of reinforced concrete, steel, glass, aluminum and allied building materials with integrated walls, columns, and supports. It was constructed in 1961, and is approximately nineteen (19) years old.

The Project consists of 75 separate Apartments (48 Residential Units, 3 Commercial Units and 24 Parking Units, hereinafter collectively called "Apartments").

There are three types of Commercial Units, one type of Parking Unit and four types of Residential Units in the Project. The following schedule indicates how many Apartments there are of each type and the approximate floor area and lanai area, if any.

<u>Apartment Type</u>	<u>Number of Bedrooms</u>	<u>Total</u>	<u>Gross Floor Area</u>	<u>Lanai, Arcade and/or Planting Area</u>
R-1	2	8	693 sq.ft.	217 sq.ft.
R-2	1	16	494 sq.ft.	145 sq.ft.
R-3	1	16	494 sq.ft.	145 sq.ft.
R-4	2	8	693 sq.ft.	217 sq.ft.
C-11	None	1	1323 sq.ft.	930 sq.ft.
C-12	None	1	1198 sq.ft.	420 sq.ft.
C-13	None	1	3078 sq.ft.	248 sq.ft.
Parking Unit	None	24	161.5 sq.ft.	---

One-Bedroom Residential Units. There are 32 one-bedroom Residential Units composed of types "R-2" and "R-3" and each type contains a living-dining room, one bedroom, a storage area, one bathroom and a kitchen.

Two-Bedroom Residential Units. There are 16 two-bedroom Residential Units composed of types "R-1" and "R-4" and each type contains a living-dining room, two bedrooms, a storage area, one bathroom and a kitchen.

Commercial Units. There are three (3) Commercial Units. Commercial Unit C-11 consists of an area on the first floor partially within the building and an outdoor arcade area, together with the roof of the arcade area, and the surface of the ground level and the unroofed airspace above the arcade which does not extend into the building. Commercial Unit C-12 consists of an area on the first floor partially within the building which contains one enclosed office and one (1) toilet room and eight (8) storage rooms on floors two through nine, together with the roof of the arcade area, and the surface of the ground level and the airspace above the unroofed entrance which does not extend into the building. Commercial Unit C-13 consists of an area on the first floor partially within the building and an enclosed area adjacent to the building, together with the roof of the enclosed area, an outdoor planting area and the airspace above the outdoor planting area rationally needed for the use thereof.

Parking Units. The Parking Units on the first floor of the Project consist of 24 paved parking spaces entirely outdoors, as shown on the Condominium Map. Each Parking Unit includes each paved parking space as shown on the Condominium Map and the airspace above each parking space.

Measurements of Areas. IN ACCORDANCE WITH HAWAII PRACTICE, THE APPROXIMATE GROSS FLOOR AREA AND LANAI, ARCADE OR PLANTING AREA OF EACH APARTMENT AS SET FORTH ABOVE INCLUDES ALL OF THE WALLS AND PARTITIONS, VENTS, SHAFTS, DUCTS AND THE LIKE WITHIN ITS PERIMETER WALLS, THE ENTIRETY OF ITS PERIMETER NON-PARTY WALLS AND THE INTERIOR HALF OF ITS PERIMETER PARTY WALLS, WHETHER LOAD-BEARING OR NON-LOAD-BEARING. THE GROSS FLOOR AREAS ABOVE DO NOT INCLUDE LANAIS OR OTHER AREAS NOT FULLY ENCLOSED.

Location and Numbers. The first digit of a Residential Unit number denotes the level of the building, and the last digit denotes its location on the floor. Apartments on each level of the building are numbered consecutively in a makai to mauka direction. The Parking Units are numbered numerically as shown on the Condominium Map.

Limits of Residential Units. Each Residential Unit shall be deemed to include (i) any adjacent lanai to which such Residential Unit has direct, exclusive access; (ii) all the walls and partitions which are not load-bearing within its perimeter walls; (iii) the inner decorated or finished surfaces of all walls, floors and ceilings; (iv) any doors,

vestibules, windows or panels along the perimeters; and (v) all fixtures originally installed therein.

No Residential Unit shall include any of the following:

(i) The undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls; the undecorated or unfinished floors and ceilings surrounding each Residential Unit;

(ii) The foundation, the exterior walls, roof, beams and columns of the building of the Project;

(iii) All pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

Limits of Commercial Units. Each Commercial Unit shall be deemed to include (i) all of the areas and places bounded by their respective walls and the exterior boundary of the project site that is included in the boundaries for those respective units; (ii) all the vaults and partitions which are not load bearing within its perimeter walls; (iii) the inner decorated or finished surfaces of all walls, floors and ceilings; (iv) any doors, vestibules, windows or panels along the perimeters; and (v) all fixtures originally installed therein. Where any cement floor or cement ceiling of the building is included within the units, the boundary of the unit is the inner surface of the floor and ceiling; where the vertical boundaries of a Commercial Unit are not a part of the building as in the case of any ceiling or roof area that is not affixed to the floor of an Apartment above it, the Commercial Unit shall include the surface of the ground level, the roof that is not part of the building, and the airspace between the surface of the floor and that roof. Each Commercial Unit shall also include all ducts, electrical equipment, wiring, machinery and air conditioning serving only that unit, and Commercial Units C-11 and C-13 shall have their own electric and gas meter.

No Commercial Unit shall include any of the following:

(i) The undecorated or unfinished surfaces of the perimeter walls, or the party walls; the undecorated or unfinished floors and ceilings surrounding each Commercial Unit;

(ii) The foundation, the exterior walls, roof, beams and columns of the building of the Project;

(iii) All pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

Limits of Parking Units. The Parking Units shall include the surface of all the paved parking spaces bounded in part by the exterior boundary of the land that is part of

the Project and in part by the exterior walls of the building, and in part by the lines marked on the surface as shown on the Condominium Map, along with all airspace above that surface. The Parking Units shall not include the land, the exterior walls, or foundation, nor any pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment (the same being deemed common elements as hereinafter provided).

COMMON ELEMENTS: The common elements shall include the limited common elements described below and all other portions of the Property, excluding those items defined as part of any Apartment hereof, but including both the building and the land on which the Project is located, and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an Apartment, and all elements mentioned in the Act which are actually constructed on the land and specifically shall include but not be limited to:

(a) The land in fee simple on which the building is actually located;

(b) All foundations, floor slabs, columns, girders, beams, support or bearing walls, and roof;

(c) All ducts, electrical equipment and wiring and other central and appurtenant installations for service including power, lights, cold and hot water, refuse, telephone, and electrical room areas, except as otherwise provided herein;

(d) All other devices or installations upon the land and building existing for or rationally of common use to all of the owners of Apartments;

(e) The transformer vault on the first floor;

(f) The roof of the building; and

(g) The meter rooms and the trash room on the first floor of the building.

LIMITED COMMON ELEMENTS: Certain parts of the common elements which are rationally related to less than all of the Apartments are hereby set aside and reserved for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements.

The two paved driveways and paved turnaround area bounded in part by the perimeter of the Parking Units, in part by the perimeter of the exterior boundary of the land that is part of the Project, and in part by the exterior walls of the building, are hereby set aside and reserved as a limited common element for the exclusive use of the Parking Units as shown on the Condominium Map.

INTEREST TO BE CONVEYED TO PURCHASER: The percentage of undivided interest (the "common interest"), in the common elements appertaining to each Apartment, for all purposes, including voting shall be as follows:

RESIDENTIAL UNITS:

<u>UNIT NO.</u>	<u>PERCENTAGE</u>
21	2.2674
31	2.2674
41	2.2674
51	2.2674
61	2.2674
71	2.2674
81	2.2674
91	2.2674
22	1.6163
32	1.6163
42	1.6163
52	1.6163
62	1.6163
72	1.6163
82	1.6163
92	1.6163
23	1.6163
33	1.6163
43	1.6163
53	1.6163
63	1.6163
73	1.6163
83	1.6163
93	1.6163
24	1.6163
34	1.6163
44	1.6163
54	1.6163
64	1.6163
74	1.6163
84	1.6163
94	1.6163
25	1.6163
35	1.6163
45	1.6163
55	1.6163
65	1.6163
75	1.6163
85	1.6163
95	1.6163
26	2.2674
36	2.2674
46	2.2674
56	2.2674
66	2.2674
76	2.2674
86	2.2674
<u>96</u>	<u>2.2674</u>
TOTAL RESIDENTIAL	<u>88.0000%</u>

COMMERCIAL UNITS:

<u>UNIT NO.</u>	<u>PERCENTAGE</u>
C-11	3.4435
C-12	2.4730
C-13	5.0835
TOTAL COMMERCIAL	<u>11.0000%</u>

PARKING UNITS:

<u>UNIT NO.</u>	<u>PERCENTAGE</u>
P-1	.0416
P-2	.0416
P-3	.0416
P-4	.0416
P-5	.0416
P-6	.0416
P-7	.0416
P-8	.0416
P-9	.0416
P-10	.0416
P-11	.0416
P-12	.0416
P-13	.0416
P-14	.0416
P-15	.0416
P-16	.0416
P-17	.0416
P-18	.0416
P-19	.0416
P-20	.0416
P-21	.0416
P-22	.0416
P-23	.0416
P-24	<u>.0432</u>
TOTAL PARKING UNITS	<u>1.0 %</u>
<u>TOTAL</u>	<u>100.0 %</u>

EASEMENTS: Besides the customary easements for stairway access, encroachment, and emergency entry, the proposed Declaration also provides for the following:

(a) Each Apartment shall have appurtenant to it (i) a non-exclusive easement for ingress and egress over portions of Commercial Unit C-12, and (ii) non-exclusive easements for pedestrian traffic over the paved driveways and turnaround area (the same being a limited common element reserved and set aside for the Parking Units) for purposes only of emergency ingress and egress from the stairwells on the first floor of the building to the street fronting the project.

(b) Each Apartment shall have a non-exclusive easement over the paved driveways and turnaround area (the same being a limited common element reserved and set aside

for the Parking Units) for access to and from the trash rooms and meter rooms for removal of trash and for utility service.

PURPOSE OF BUILDING AND RESTRICTION TO USE: The Residential Units shall be used for residential and any other use lawful under the zoning laws and ordinances prevailing from time to time. The Residential Units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Residential Unit or Residential Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, beneficial interest under a Hawaii Land Trust, partnership or otherwise. Furthermore, commercial office use of the Residential Units is prohibited. The Developer may use any Residential Unit for sales or display purposes prior to its sale. The proposed Residential House Rules provide for exclusion of all animals and the prior registration of waterbeds.

The Commercial Units shall be used for commercial uses of any lawful type but pets are prohibited. The Parking Units shall be used solely for parking and vehicular access. No permanent or temporary structure may be erected in airspace above the surface of the Parking Units, the limited common elements reserved thereto, and the arcade roofs of the Commercial Units.

OWNERSHIP OF TITLE: As of January 1, 1980 the fee simple title to the three parcels of land that are included within the Project is as follows:

The fee title to parcel 1 is held one-third by Scott F. Abrams, one-third by Mimi Abrams, and one-third by Louis Edmund Abrams and Meri-Jo Abrams, subject to a life estate in favor of Mimi Abrams. Fee title to the other two parcels is held by Hawaiian Trust Company, Ltd., as Trustee under the Will and of the Estate of Grace Weill.

By Leases dated September 10, 1959 and September 22, 1960, recorded in the Bureau of Conveyances in Liber 3690, Page 1 and in Liber 3941, Page 20, respectively, as amended, the owners of the fee title of the land leased the aforesaid property to Waikiki Royal, Inc's predecessor in interest for a term ending on May 31, 2013.

Prior to the conveyance of Apartments in the Project, the Developer shall acquire the fee title to all three of the aforesaid parcels, and shall be conveying condominium units

2. Restrictive conditions contained in Deeds dated December 10, 1915; November 30, 1914; and April 7, 1915, recorded as aforesaid in Liber 442, Page 24; Liber 422, Page 165; and Liber 420, Page 284, respectively.

3. Leasehold Mortgage, Security Agreement, and Financing Statement in favor of State Savings & Loan Association dated February 23, 1979 recorded as aforesaid in Liber 13504, Page 445 and in Liber 13504, Page 482.

4. Financing Statement dated December 27, 1979 in favor of INDELCO recorded as aforesaid in Liber 14358, Page 776.

Taxes for the fiscal year 1979-1980. With the exception of the easement in favor of Lot 29 described in subparagraph C.1, the restrictive conditions described in subparagraph D.2, and the reservation of title to mineral and metallic mines in favor of the State of Hawaii described in subparagraph D.1, all of the foregoing leases and encumbrances shall either be cancelled or released prior to or simultaneously with the conveyance of an apartment unit in fee to a unit purchaser.

5. Real Property Taxes as may be due and owing. For further information, check with the Tax Assessor, First Division.

PURCHASE MONEY HANDLING: An executed Escrow Agreement, dated January 29, 1980, identifies Long and Melone Escrow, Ltd., as the Escrow Agent. Upon examination, the executed Escrow Agreement and specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly Section 514A-37, 514A-39 and Sections 514A-63 through 66. Among other provisions, the Escrow Agreement provides that the Escrow Agent shall refund to purchaser all of purchaser's funds, without interest, if purchaser shall request refund of his funds and any one of the following shall have occurred:

(a) Developer has requested Escrow Agent in writing to return to purchaser the funds of purchaser then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the Sale Contract pursuant to any right or rescission stated therein or otherwise available to Developer; or

(c) Developer has notified Escrow Agent that purchaser's funds were obtained prior to the issuance of a Final Public Report for the Project and that either (i) such Final Public Report differs in any material respect from this Preliminary Public Report or (ii) there is any material change in the condominium building plans for purchaser's apartment or the common elements of the Project subsequent to the execution of the Sales Contract requiring approval of a county officer having jurisdiction over issuance of

in fee as described in the heading STATUS OF PROJECT hereinbelow.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated January 1, 1980 issued by Long & Melone, Ltd. lists the following encumbrances:

A. As to the first parcel only:

1. A lease dated September 10, 1959, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 3690, Page 1, for a term ending on May 31, 2013, and its subsequent amendments recorded in Liber 3865, Page 451; Liber 3941, Page 50; and Liber 4094, Page 98. That lease is currently held by WAIKIKI ROYAL, INC.

2. A mortgage of a two-third interest in the fee title in favor of First Hawaiian Bank dated November 9, 1972 and recorded as aforesaid in Liber 8793, Page 140.

3. A second mortgage of a one-sixth interest in the fee title in favor of Carlsmith, Carlsmith, Wichman & Case, dated June 14, 1979, and recorded as aforesaid in Liber 13778, Page 310.

4. A second mortgage of a one-sixth interest in the fee title in favor of Carlsmith, Carlsmith, Wichman & Case dated June 11, 1979, and recorded as aforesaid in Liber 13803, Page 213.

B. As to the second and third parcels only:

1. The terms, provisions, conditions, restrictions and reservations contained in a trust created in the Last Will and Testament of Grace Weill, Deceased, filed with Probate proceedings No. 16425.

2. The terms and conditions of that certain Sublease dated September 22, 1960, recorded as aforesaid in Liber 3941, Page 20 made by and between Lyman J. Blank, Gordon Happer Damon and George J. Scranton and Mun On Chun, as amended by instruments recorded as aforesaid in Liber 4215, Page 157, and in Liber 14337, Page 364, which Sublease is currently held by WAIKIKI ROYAL, INC. by Assignment of Lease recorded as aforesaid in Liber 4547, Page 491.

C. As to the third parcel only:

1. An easement in favor of Lot 29 for pedestrian and vehicle passage over and across a portion of Lot 31, being a strip ten (10) feet wide, as contained in that certain instrument dated April 1, 1968, recorded as aforesaid in Liber 6024, Page 289.

D. As to all parcels:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

permits for construction of buildings, unless in either case the purchaser has given written approval or acceptance of the specific change; or

(d) Developer has notified Escrow Agent that a Final Public Report has not been issued within one (1) year of the date of the issuance of this Preliminary Public Report and purchaser has not waived its right of refund and cancellation of obligation pursuant to Section 514A-66, Hawaii Revised Statutes.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds.

The Specimen Sales Contract provides, among other things, for subordination of Purchaser's interest in a Sales Contract to the lien of an interim mortgage and for Seller's cancellation of a Sales Contract, at his option if forty (40) or more units in the Project are not sold within three (3) months from the issuance date of this Public Report.

AMONG OTHER PROVISIONS, THE SPECIMEN SALES CONTRACT (AS WELL AS THE DISCLOSURE ABSTRACT) ALSO PROVIDES THAT THE DEVELOPER MAKES NO WARRANTY AS TO ANY DEFECTS IN THE APARTMENTS, THE APPLIANCES THEREIN, AND THE COMMON ELEMENTS OF THE PROJECT. THE PURCHASER IS TO INSPECT THE PROJECT AND UNDERSTANDS AND AGREES THAT HE IS PURCHASING THE PROPERTY SOLD IN AN "AS IS" CONDITION WITHOUT WARRANTY OF ANY NATURE FROM THE DEVELOPER.

MANAGEMENT OF PROJECT: The By-Laws which are incorporated in the proposed Declaration provide that the operation of the Project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. The Developer has advised the Commission that it is negotiating with W. E. Denison Corporation with respect to the property management contract and has submitted to the Commission a draft of a possible contract.

THE DEVELOPER AND ITS AGENTS ARE NOT OFFERING TO PROVIDE SERVICES RELATING TO THE SALE OR RENTAL OF APARTMENTS PURCHASED IN THE PROJECT, AND NO REPRESENTATION OR REFERENCE TO THAT EFFECT HAS BEEN OR WILL BE MADE BY OR ON BEHALF OF THE DEVELOPER.

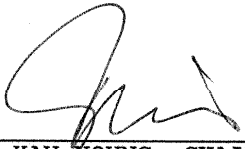
STATUS OF PROJECT: The Project was constructed in 1961. Documentation required under Section 514A-40 (8-10), Hawaii Revised Statutes, for projects being converted to condominiums have been submitted to the Commission and are available for inspection. The Project will be sold in "as is" condition without warranties from the Developer. However, the Developer does contemplate some refurbishing and will use its best efforts to complete same within one (1) month from the execution of each Sales Contract. The Developer has advised the Commission that the Developer has entered into agreements with the fee title owners and leasehold title owner to acquire the fee and leasehold title

to all of the land included within the Project. Copies of such agreements have been filed with and are available for public inspection at the Office of the Commission. Prior to the conveyance of Apartments in the Project, the Developer shall acquire fee title to all of the land included within the Project, and shall be conveying condominium units in fee.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on January 29, 1980 and information subsequently filed as of February 19, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1237, filed with the Commission on January 29, 1980.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.

 (for)

AH KAU YOUNG, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

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DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION,
CITY AND COUNTY OF HONOLULU
ESCROW AGENT

Registration No. 1237

February 22, 1980